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THE LABOUR PARTY REVIEWS ITS FOREIGN POLICY

by Vera Brittain

During the week which followed the Whitsuntide Conference of the British Labour Party at Margate, the Liberal News-Chronical published a cartoon showing a substantial Bevin riding the clouds on a winged steed and gazing benignly down at a diminutive Truman, who responded from the ground with an expression of rapt appreciation. This picture symbolized British Liberalism's view of Ernest Bevin's overwhelming political victory at Margate and its expressed endorsement of President Truman's policy in Greece and Turkey.

To realize the significance of this victory, American readers must understand, first, the consequences of two wars and twenty years of wasted opportunity for Britain; second, the present alignments inside the Labour Party with its vast Parliamentary majority.

Both these underlying factors in British foreign policy are reflected in two pamphlets which have recently been the subject of much discussion. One, Cards on the Table, published by Transport House, the party headquarters, gives the official version of Labour's attitude in international affairs. It was endorsed by the Party Executive at Margate with four dissentients, of whom Harold Laski was one. The other pamphlet, Keep Left, written for a group of M.P.s by Richard Crossman, Michael Foot and Ian Mikardo, and published by the New Statesman, is by far the abler of the two publications, whatever may be thought of the policies advocated. In both documents the present international position of Britain is frankly recognized and analyzed.

In 1939 a small minority of pacifists maintained that Britain, which had never fully recovered from the war of 1914, could not from any point of view afford the cost of participating in a second World War, and should stay out of it. All anti-Fascists, they believed that British opposition to Hitler should be confined to moral resistance, combined with the support, through broadcasting and other available means, of those forces in Germany which were working for the overthrow of Hitler from within. They recognized that their form of opposition might mean invasion, but believed that this, from a long-term angle, was not necessarily the worst evil.

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Their policy was, however, condemned as "unrealistic" and "emotional" by some who were themselves in the grip of violent emotions. Later the same pacifist minority was fiercely criticized for stating that the results of obliteration bombing would involve a cost unjustified by its dubious military advantages. Today every bomb dropped on the Ruhr, and every house and factory destroyed, is imposing its consequences, in terms of political complications and financial commitments, on the harassed British taxpayer.

II

It is against the background of such consequences the world over that the recent endorsement of the Truman policy at Margate must be assessed. To the direct results of the War must be added the aftermath of the twenty years' Armistice, in which the Tory policy, of "safety first" at home and weak provocation abroad, prevailed.

This prolonged rule of selfish ineptitude has left Britain handicapped by a long list of ill-managed, poorly equipped key industries which the War further distorted and exhausted. We have suffered enormous losses in our export trade, and for the first time in history have been unable since the war to produce a coal surplus. The War reduced to a mere 400,000 the 1,300,000 pre-war workers who were employed in manufacturing goods directly for the export market.

Of our pre-war 22 million tons of merchant shipping half was sunk at sea. We sold our foreign investments to pay for arms and other imports, and now have an income from this source which is less than half of that received in 1938. In addition, we piled up enormous foreign debts.

Today we confront an altered relationship with the Dominions, which developed their own industries for war purposes and can no longer be regarded as sources of raw materials for manufacture in Britain. We face a fierce surge of independence movements within our former imperial possessions, which a Socialist Government has (and has largely recognized) a moral responsibility to accept and aid.

Finally, we have to reckon with the competition of an American ally whose navy and merchant fleet are both several times the size of our own, and with the critical attitude of a Russian ally by whom that American ally appears to be increasingly alarmed.

III

In this situation the official pamphlet Cards on the Table still maintains that the international effectiveness of Britain "depends on her power," and in language somewhat unhappily reminiscent refers to

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"Britain's position in the game." This pamphlet further frankly states that "much of the last two years has been spent in preserving Britain's power of initiative and in maneuvering for a favorable opening."

Keep Left drastically describes the British Labour policy as "the Tory idea of bolstering up the British Empire with American dollars and fighting America's battle with British soldiers." Yet, whether the majority of divisional Labour parties like it or not, the voting at Margate made clear that they regard it as inevitable.

Their support, however, may have owed less to informed analyses of Britain's position by party members, than to the atmosphere of the Conference itself. At last year's Conference -- the first to be held after Labour assumed office -- the mood was that of a victory parade. Today some of the huge problems which have inspired the ubiquitous official poster, "We're Up Against It," have become clear to the public mind. There is a seldom-expressed but none the less widespread determination that the first People's Government elected in Britain shall not collapse under the weight of these problems.

The by-elections provide one example of this determination. By avoiding the loss of a single seat previously held by Labour in nearly two years of office, this Government has created a record. No other party in power has ever commanded such prolonged support during the period covered by the present electoral system. Another example was undoubtedly the vociferous endorsement of Mr. Bevin's foreign policy and of his support for President Truman in Greece and Turkey. ("When we stepped out America stepped in, and I think America was right.") The delegates at Margate were in a mood to heed Herbert Morrison's warning against "rocking the boat."

One curious feature of the discussion was the almost spineless collapse of the Keep Left opposition. They had a very good case, excellently presented in their pamphlet. Yet their defeat compared most unfavorably with the support given to other anti-Executive resolutions, such as those on Conscription, and on Equal Pay in which a 4 to 1 vote went against the platform. The "rebel" speeches were so muted, and the support which they inspired was so modest, that the customary card vote proved unnecessary.

IV

American students of British politics would, however, be mistaken if they were to conclude that the opposition to Bevin, and Truman, is therefore negligible.

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It is so far from negligible that Richard Crossman, its chief exponent, was the runner-up in the voting for the seven representatives of the constituencies on the Labour Party Executive. Another critic, Tom Driberg, M.P. for Maldon, who referred to "the hysterical chaos of American economy" and described Mr. Truman as "that puny President," was almost as strongly supported. Running through the foreign policy discussion, for all the opposition's lack of fire, was the expression of a definite anxiety that Britain is tying itself too closely to American policy, and thereby risking involvement in a war between the United States and Russia.

In strange alliance with the Crossman minority are two other groups. One, led by Konni Zilliacus, an M.P. of mixed national origin, unites the various brands of "fellow traveller" and is characteristically inspired by loyalty to Russia rather than opposition to America. The other group includes the pacifists and near-pacifists, who desire to abandon all militaristic policies, whether associated with the United States or the Soviet Union, and who offer instead a gesture of moral leadership to all who believe in international co-operation.

This policy, loudly applauded by delegates who then voted against it, is again described as "unreal" by official Labour politicians. Yet the basic unreality, as Keep Left also recognizes, is the belief that British interests and the British Isles can be defended in an atomic age by thousands of men in the armed forces and millions of pounds spent on Service budgets. As expressed by the authors of Keep Left:

> "In a war against America, these islands would be starved into submission within a few months and the Commonwealth would disintegrate. In a war against Russia, nothing could long delay the advance of the Red Army to the Atlantic Coast . . . If the Russians used the atom bomb, that would merely speed up the destruction of our war potential and the withdrawal of the Government to Ottawa."

If, one might add, there were any Government left to withdraw.

The only "reality" for Britain today lies in a frank recognition of its military weakness and its potential moral strength. As an inspiration to social-democratic forces throughout the world and a rallying point for moral and cultural reconstruction, this country can count on an independent and significant future.

As a junior partner in leading strings to either of the two Great Powers, its life, in the words of Thomas Hobbes, is likely to be "solitary, poore, nasty, brutish, and short."

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Vera Brittain, best known in America for her novels, is also a brilliant political analyst. This report on the recent annual conference of the Labour Party is her first contribution to HUMAN EVENTS.

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Not Merely Gossip *A Supplement to* Human Events VOL. IV, NO. 25

By Frank C. Hanighen June 18, 1947

For the second time in the nation's history, a President has broken the tradition that the Executive should allow the Legislature a free hand in determining tax policy. When President Truman vetoed the tax bill, did his reasons justify such an extraordinary action?

One of the President's two principal points in support of his veto, was that today is the "wrong time," that inflationary pressures prevail and a lowering of taxes would intensify them. It may, indeed, turn out that the President was correct in taking this "deflationary" stand and it may be that a recession, as he says, is "not imminent." However, not only do many economists expect some kind of recession, but it is no secret in Washington that in the President's own economic advisory commission, headed by Dr. E. G. Nourse, the majority hold the same opinion. It seems rather odd that Mr. Truman should ignore the same professional advice on which he earlier set such store.

The President has set himself up as an economic prophet. He may be proved right. But one may be pardoned if one doubts the accuracy of this Administration's forecasting in the economic field. In the fall of 1945, the official line was that a deep depression -- with eight to ten million unemployed -- was due within six months. From the purely economic point of view, the President's arguments in his historic tax veto message hardly inspire conviction.

His next principal point is that the bill's scale of reduction offers the "wrong method." The President elaborates by pointing out that a family with an income of $2,500 would save only $40 whereas taxes on an income of $500,000 would fall nearly $60,000. This adventure in demagogy has received due criticism in the press. But what has not been noted is that Truman avoids answering the main argument of the sponsors of the method, that is: taxation in the upper brackets must be lightened in order to provide "risk capital."

Since the President's stated reasons for the veto fall considerably short of carrying persuasion, it is not unnatural to seek the real reasons in the political sphere. As a matter of fact, some impartial Capital observers have been maintaining right along that the tax veto was inevitable because Truman was sold the following line of strategy by his political advisers: he would, they said, win votes for his re-election by approving a tax reduction next year rather than now. If such was the decisive consideration, Truman overlooked a catch. His Republican opponents can always double his bet; they can demand a larger cut than Truman would propose, thereby reaping more credit among the electorate.

Indeed, from the purely political standpoint, the Truman tax veto looks like a bad blunder. The President, politicians of both parties are saying, should have taken a leaf from Dewey's book. Last year, the New York Governor was coming up for re-election. He cut state taxes sharply. He did not lose. It will indeed be surprising if his tax cut of 1946 impairs his national chances in 1948.

* * * * *

The following story about Mr. William Benton, State Department's director of cultural relations, has given birth to a new vernacular term in European capitals. It seems that Mr. Benton, when leaving his hotel in Paris some months ago, went to the hotel manager to make him a present. As he handed the present to the gentleman, he said, with a flourish, "Vour pous," to the dismay of one of his staff who hastily prompted, "No, no, pour vous." Today, political circles jocularly are saying "Vour pous" to describe loans which they seek from Uncle Sam.

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"Vour pous," of course, is actually no laughing matter, either for Europeans or for Americans. It was Mr. Herbert Hoover's great contribution on June 15, in his letter to Senator Bridges, that he stressed the resultant dangers to America. The rather airy assumption that the United States can sharply increase its assistance to Europe without paying the penalty by trouble, toil and sacrifice at home has called for corrective statement. Mr. Hoover recurred to a theme which he has consistently emphasized in his utterances on the problem of foreign aid -- the necessity of lightening the load on the American taxpayer in every way possible. "These gifts," he said, "are an immediate burden on the taxpayer. The goods furnished under loans also must be paid for immediately while the repayment is deferred for years. This has a bearing on our tax burdens. Including local government expenditures, they now amount to about 35 per cent of our national income. No free nation can continue at that rate for long without impairing its productivity."

The warning is not only for Americans. A declining production spells less Vour pous.

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When Hoover's letter of June 15 stressing the dangers of foreign lending was made public, some observers jumped to the conclusion that the action signified a widening rift among Republicans, between the strongly interventionist Vandenberg school of thought and the "think it through" sentiments of Hoover and his friends. This apparent split may prove merely a difference in emphasis to be readily bridged by the forces of party unity which have so far proved effective. But it does underline conflicting currents in thinking within the GOP leadership. And these differences seem to be closely related to intra-party politics and to the opposing candidacies for Presidential nomination.

These currents eddy around two poles -- the Taft and Dewey standards. Taft's chances have declined in the past few months, and Dewey's boom has soared; but it would be a brave prophet who would believe this situation permanent. However, the rise of the Dewey side of the scales, and the descent of the Taft side, has produced some change in attitude in the Vandenberg camp, which has counted on a stand-off between the Ohioan and the New York Governor to promote the foreign relations leader as a compromise candidate.

It is, therefore, not entirely surprising to hear the report that the Vandenberg camp is leaning towards the ascendant Dewey. It has been observed in the Upper Chamber that Vandenberg is on excellent terms with Senator Ives, Dewey's man. It is claimed that in the brief scrap over the Italian peace treaty, the Michigan Senator got Dewey to soften the opposition of Italian pressure groups to the treaty's ratification. Dewey's Labor Commissioner, Mr. Edward Corsi, was said to have been the agent for this piece of business. Some hint knowingly that Dewey has promised Vandenberg the post of Secretary of State, if 1948 goes Dewey's way.

At the same time some crystallization has been noted around the Taft banner. It was considered significant that Hoover addressed his famous letter to Senator Bridges. Bridges has been at odds with Vandenberg, and he is friendly with Taft. As for Hoover, it can hardly be said that he is friendly with Dewey. If he had to choose, he would undoubtedly favor Taft over the New York Governor.

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"Truman is trying to find a Republican to run against" -- is a saying these days that is more than a curbstone jest. Excepting Stassen, the President is the only major public figure who is openly running for the Presidency in 1948, and White House strategists feel the necessity of converting his race into a personalized contest. To take on the whole Republican majority in Congress falls rather short of providing the desired dramatic unity for such a pitched battle. Nor can

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the President effectively square off against Thomas E. Dewey. The latter at present is the strongest Republican contender for nomination, a fact which he so far has not officially acknowledged. He is sticking closely to Empire State affairs, and when he deals with matters of wider interest, as he did on June 14 at Colgate University, it is to come out boldly for academic freedom, hardly an issue for the White House to seize upon. As for Stassen, a public scrap between the President and a man who is really tilting his cap towards the GOP's Vice-Presidential nomination would hardly increase the President's stature.

Accordingly, the fight managers in the White House have selected Taft as the best available antagonist, since he is obliged to take positions on most controversial legislative questions. The rather complicated nature of White House thinking appears in the reported reasoning behind the recently started "anti-Taft" campaign: it rests on the theory that Taft might be built up by attacks from the President, and that if he won the GOP nomination, he would prove an easier opponent than Dewey. Judging by the first verbal exchange, the Ohio Senator is the one who delivers the telling blows.

Observers are wondering why Truman has not left well enough alone, why he has sallied forth to this conflict. They are pondering one explanation: the President is trying to run against a Republican in order to divert public attention from the fact that he is actually running against a member of his own party -- Henry Wallace.

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"Thanks to Braden, we have this," an Argentine officer remarked to a visiting colonel from another Latin American country, as he showed him through an aircraft factory in Cordoba. (The Argentines have obtained four jet planes from Britain and expect to be manufacturing this kind of plane within four years.) What the Argentine officer meant was that Braden's feud against Peron had assisted the latter in winning the Presidential election and Braden's opposition to U. S. sales of arms to Argentina had converted that republic into a substantial arsenal.

The colonel who related this story was himself on a mission for his own War Department for the purpose of buying arms; and similar missions from all over Latin America are calling on Buenos Aires these days. Partly as manufacturer (particularly of small arms), partly as a broker for Swiss, Swedish, British, etc., weapons, Argentina is becoming a thriving center of this trade. Peron's Government has gold and plenty of dollar exchange to buy arms from Europe and machinery to make arms.

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President Truman's veto of the tax bill recalls that, in the years following World War I, the attempt to obtain an overall drastic reduction in income taxes met with stubborn resistance. Charles A. Beard and Mary R. Beard in The Rise of American Civilization (Vol. II, pp. 694-5) describe this phase of the Harding regime: "Nothing was, therefore, more natural than for the prophets of normalcy on coming to power to expect, if not a revolution in the Wilsonian program of taxation, at least a radical modification of its harshest terms. Finding approximately one-half the federal revenues derived from income and inheritance taxes they insisted on immediate relief. By way of concrete suggestion, Secretary Mellon, praised in eastern circles as the greatest financier since Alexander Hamilton, urged slashing cuts, especially in the upper brackets -- cuts lowering the surtax on the highest incomes from sixty-five to twenty-five per cent. But the insurgents in Congress refused to accept the proposal and in the revenue law of 1921 kept the supreme surtax levy at fifty per cent, causing much bitterness in the hearts of those who paid the bill." Indeed, as these historians relate the story, taxation did not really come down as the "prophets of normalcy" wanted, until Coolidge's second term.

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Notes and Quotes

Two letters from Germany ---- The first describes conditions in rural Bavaria, after speaking of the past winter: "The months ahead of us will not be less hard. Hunger will replace cold. Rations are the smallest we had so far (I mean the normal consumer), scarcity set in two months earlier than last year. It is far too early to forecast the result of the harvest. In our region conditions are not unfavorable so far.

"Unfortunately unscrupulous politicians use the distress for their own ends. Yesterday evening a trade union official on the radio almost threatened the farmers with wholesale looting by the city dwellers. Everybody shifts the blame for the present situation on the other fellow. The farmer is the goat as usual. There are undoubtedly black sheep among us, hoarders and profiteers, but the average farmer, the crushing majority of them, is hard working, knowing no eight hour day, and has not hit on the device of striking and demonstrating in order to stop production. He is engaged in an uphill fight against tremendous odds. With insufficient manpower (millions of abled bodied men killed, other millions still in camps in and outside Germany), inadequate seed, without proper implements and with worn-out machinery, practically no fertilizer, he has not only to feed nine millions in Bavaria instead of seven (the number continually increasing by the influx of more refugees) but is also expected to furnish other zones which formerly got their supplies from the lost eastern regions.

The food problem will not be solved by mutual recriminations and debates, but only by hard work and co-operation. The period between the two harvests will be the hardest. Drastic measures, the most draconic yet devised in Germany, surpassing those of wartime, have been taken to ensure delivery and control. They may, to a certain extent curb the black market -- let us hope so -- but will not be able to fill the deficit of production, for which we have to rely on imports. If for some reason these fail the situation will become extremely critical."

The second letter is from one of the owners of a chinaware factory, located in the Russian zone, to a former American customer: "Referring to the pleasant relations between our two firms in the past we beg to remind you that amongst the goods supplied to you, many articles were reserved for you exclusively. At present we are not allowed to cater for orders, but the fact that all the goods, prepared by us for home and foreign orders, have been seized by the Russian Military Administration obliges us to draw your attention to the prevailing situation. Owing to the dismantling of many factories and transporting the equipment to the East, we have been unable to furnish the necessary nails to our crate-makers and consequently we could not pack up the goods seized. We are charged with ill-will and 'sabotage.'

"These last few days our sample rooms, containing the full line of our original patterns, all hand-painted, which always have been handed to our artists to fill the orders, have been sealed, all the samples have been registered and we are supposed to send them to Russia. As one of the trade, you will know that the patterns are needed not only to copy the decoration exactly but also to retouch the shape and the details of figures, after the article has been drawn from the respective molds. It goes without saying, that should we be deprived of our original samples, we never again shall be able to produce the same high-class goods of quality. Since the prolonged discord amongst the nations, the number of our artists has decreased considerably and requires bringing up of a fresh school, we are in need of the original patterns all the more for teaching the youth. . . .

"We are, gentlemen, in the hope that you yourselves have come over these unfortunate times as well as your firm in a satisfactory way and thanking you for your patronage in former times, Most respectfully yours, ..."

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